



Publication for Communication with Shareholders

# AGC Review

Newsletter for Shareholders

Vol. **33**

Issued in  
September 2018

Photo: Akihide Mishima

Photo taken at Milan Design Week in  
April 2018

**AGC Inc.**  
Code Number: 5201

Your Dreams, Our Challenge

# To Our Shareholders

In the first half of fiscal 2018, we were successful in increasing net sales by 55.5 billion yen, compared with the corresponding period of the previous year, and lifting profits by 11 billion yen. These results were due to increased shipments in all business segments, especially shipments of automotive glass and chemical products. In addition, we have raised our operating profit forecast for the fiscal year from 130.0 billion yen to 135.0 billion yen. This was mainly supported by a higher-than-expected price increase for caustic soda in the chlor-alkali business in the first half. The interim dividend remained at the initial estimate of 55 yen per share. We estimate that the full-year dividend also will remain at the initial estimate of 55 yen per share.

On July 1, 2018, Asahi Glass Co., Ltd. changed its name to AGC Inc.

Although the former name was a familiar one, having been the name of the company since its founding in 1907, we will be initiating new challenges under our new name while continuing to adhere to our philosophy of "Never take the easy way out, but confront difficulties," a tradition since the company's founding.

Our aim going forward is to put all the group's efforts into growing AGC into a global brand that is trusted by stakeholders around the world. We look forward to your continued support in the future.



Takuya Shimamura, President and CEO

# Highlights of the Group's Financial Results

## Key Points for the First Half of Fiscal 2018

### Net sales

- Increased revenue from increased shipment volumes for all businesses, especially of automotive glass and chemical products, and consolidation of acquired companies
- No change to full-year forecast

### Operating profit

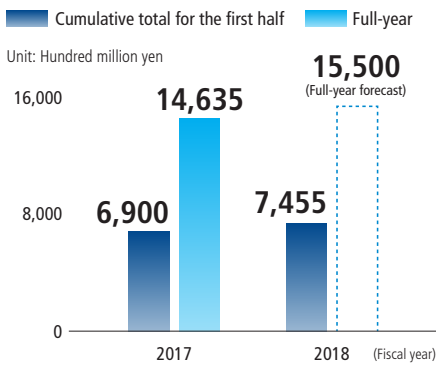
- Profit growth in all segments, especially in the chemical segment
- Estimate for the full-year forecast was raised by 5 billion yen

### Profit for the year attributable to owners of the parent

- Profit growth resulting from increased operating profit
- Estimate for the full-year forecast was raised by 3 billion yen

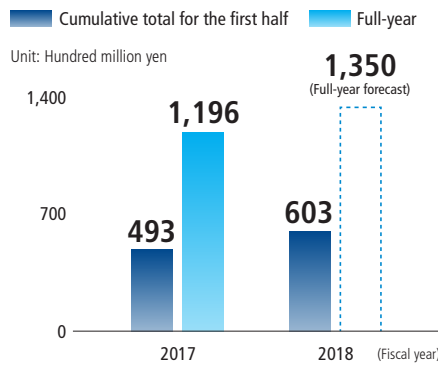
### Net sales

**7,455** hundred million yen  
(up 8.0% year-on-year)



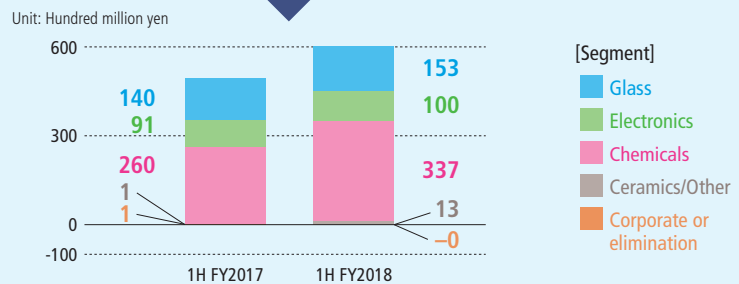
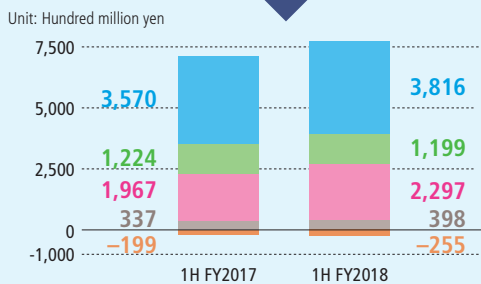
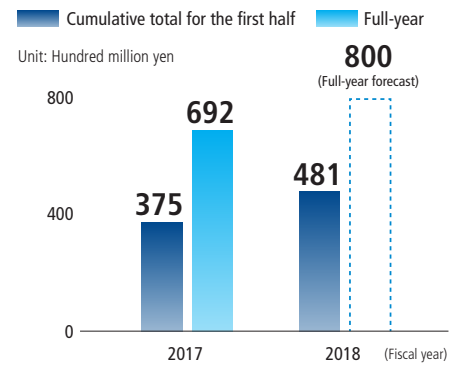
### Operating profit

**603** hundred million yen  
(up 22.4% year-on-year)



### Profit for the year attributable to owners of the parent

**481** hundred million yen  
(up 28.2% year-on-year)



## Topics

### Introduction of Our New Brand Statement: "Your Dreams, Our Challenge"

With the change of our company name to AGC Inc., we have taken the opportunity to establish a brand statement that clearly sets out our ideals about the essence of the AGC brand. This statement demonstrates to our shareholders the kind of value the AGC Group seeks to create. We selected our brand statement from over 900 submissions by AGC Group members around the world.

### Our Brand

- Never take the easy way out, but confront difficulties
- Trust is the best way to inspire people
- Strive to develop technologies that will change the world
- A sense of mission leads us to advance

For more than a century, AGC has been guided by these founding spirits. Our unique materials, solutions and reliable partnerships have facilitated leading innovations across diverse industries and markets.

Today, by working with others to combine knowledge and advanced technology, we help make ever greater achievements possible, and bring bolder ideas to life.

**Your Dreams, Our Challenge**

## Introduction of Our New Advertising Activities

Since June 2018, we have been carrying out various communication activities to spread awareness of the new company name. In addition to television commercials featuring actor Issey Takahashi as our advertising spokesman, we are doing PR for AGC in other areas, focusing on transportation advertising.



AGC and glass, story of a blue city, aired on TV commercials until September 9, 2018.



Underground area of Tokyo Station

The underground spaces of Tokyo Station formerly used posters fixed with adhesive, but as of April 2018, these spaces now use infoverre™ glass signage, developed by AGC.



Poster on the side of a Nagoya Railroad train door



Yokohama City bus



ALTA VISION screen in Shinjuku



Broadcast inside an East Japan Railway Company train



Main entrance of Shinagawa Station, East Japan Railway Company



Umeda Station, Hankyu Railway



Advertisement on a Toei Mita Line subway



Portion of the fence at Tokyo Dome stadium

# Enhancing the Growth of Our Strategic Businesses

## Strategic Businesses

We have designated the three areas of *mobility*, *electronics* and *life science* our *Strategic Businesses* and are working to grow these businesses to realize our long-term management strategy, Vision 2025.

Mobility	Electronics	Life Science
<p><b>Connected cars/ Automated driving.</b> Evolution of information display, Lighter-weight transportation means</p>	<p><b>Arrival of IoT/AI era, Next-generation high-speed communications/ Automated driving.</b> Use of novel devices</p>	<p>Safe &amp; secure medical care, Longer life expectancy, Increase of global population</p>

Here, we will introduce our initiatives in solving problems about the next-generation high-speed telecommunications currently being undertaken by both our *mobility* and *electronics* sectors.

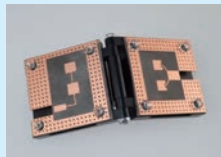
The arrival of the age of IoT (the Internet of Things) has brought a demand for materials and technologies that enable next-generation high-speed telecommunications such as 5G. By providing 5G-compatible antennas and ultra-low-loss CCL\*1, AGC is contributing to making self-driving cars and other features of future lifestyles a reality. \*1 Copper-clad laminate

### 1 Success with 5G communication using "vehicle glass-mounted antennas"

We designed and developed a new glass-mounted 5G antenna for vehicles and carried out a demonstration experiment in July. In this experiment, done in conjunction with NTT DOCOMO, INC. and Ericsson Japan, we achieved 5G communication at a maximum of 8 Gbps for vehicles traveling at the high speed of approximately 100 km/h, a world first\*2.



Scene of field trial



On-glass antenna element

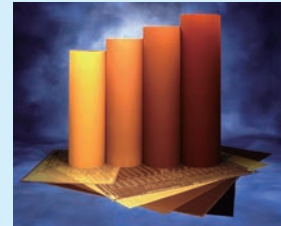
In vehicles, the use of high-speed, high-capacity data transmissions delivered with low latency and high fidelity, key features of 5G communication, may help make self-driving cars a reality and contribute to enhancing in-vehicle entertainment content.

\*2 Based on company research by NTT DOCOMO, INC. (as of July 25, 2018).

### 2 Acquisition\*3 of the electronics business of U.S.-based Park Electrochemical

AGC and U.S.-based Park Electrochemical agreed to the acquisition of the latter's electronics business for approximately 16 billion yen, entering into a share purchase agreement in July.

Park Electrochemical has outstanding technological expertise and a high-quality product portfolio in the field of ultra-low-loss CCL, used in the antenna circuit boards that are essential for next-generation high-speed communications such as 5G. This acquisition was approved with the recognition that Park's electronics business would allow for great synergy with AGC's technological expertise, for example, by using this synergy in the glass-mounted antennas for vehicles described in the previous section.



\*3 Assuming approval by the relevant regulatory bodies.

CCL, and printed circuit board using CCL

# Exhibiting at Milan Design Week: Providing New Ways to Use Glass

This year, we again exhibited at Milan Design Week, one of the world's largest design fairs, held every April in Milan, Italy. Over six days, approximately 24,000 visitors came to the exhibition venue, which utilized space under the viaducts of the Milano Centrale railway station. For this year's fair, we worked with the theme of



A sample of a sound-generating glass, now being developed.



Special website of AGC's exhibition at Milan Design Week <http://agc-milan.com/>

sound (the sense of sound), providing a space where visitors could sense the sounds of daily life in a brand-new way with sound-generating glass, which is currently being developed by AGC. Visitor feedback included comments such as "Being surrounded by sound without speakers was a mysterious experience" and "I felt a new potential for glass."

## Establishing a Marketing Base in Myanmar

In October 2016, the AGC Group opened offices in India and the Middle East & Africa (Dubai) to serve as bases for marketing activities in areas that are expected to see significant growth. Additionally, in April 2018, we opened a branch of AGC Asia Pacific Pte. Ltd., which oversees activities in Southeast Asia, in the Republic of the Union of Myanmar to further strengthen marketing activities in that country, which is also expected to see outstanding growth.



**From Myanmar**

Dear shareholders, *mingalaba!* (That is "Hello!" in Burmese.) Now in Myanmar, works such as large-scale construction projects and ODA-related infrastructure developments are being steadily rolled out. Every day, here and there, you can keenly feel that Myanmar truly is a country at the starting block to rapid development. As the first head of the Myanmar branch office and a member of the Myanmar community, I hope to seek out business opportunities for AGC's products and technological expertise, as well as contribute to the sustainable growth of the country.

**Shusuke Ikuta**, General Manager, Myanmar Branch, AGC Asia Pacific Pte. Ltd.

### Corporate Outline

(as of June 30, 2018)

**Company name:** AGC Inc.\*1

\*1 The Company changed the trade name on July 1, 2018.

**Founded:** September 8, 1907

**Incorporated:** June 1, 1950

**Capital:** ¥90,873,373,264

**Head office:**

Shin-Marunouchi Building, 1-5-1 Marunouchi,  
Chiyoda-ku, Tokyo 100-8405

**Phone:** +81-3-3218-5096

**Number of consolidated subsidiaries:**

212 (including 174 companies overseas)

### State of Shares

(as of June 30, 2018)

**Number of shares outstanding:** 231,978,181

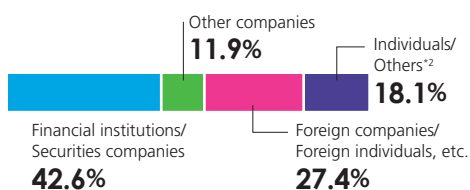
**Number of shareholders:** 56,883

**Shareholders who own shares of one unit or more:**  
49,279

### Shareholder Composition

(as of June 30, 2018)

(Shareholders who own one unit or more)



\*2 Including 2.6% treasury shares

### Information about Shares

**Fiscal year:** January 1 to December 31

**Ordinary general shareholders' meeting:** March

**Shareholder registration date for entitlement to exercise:**

Voting rights at ordinary general shareholders' meeting: December 31

Rights to receive annual dividend payment: December 31

Rights to receive interim dividend payment: June 30

**Public notice:** Electronic public notices  
<http://www.agc.com>

### Shareholder Registrar/Special Account Administrator:

Securities Agency Division, Mitsubishi UFJ Trust and Banking Corporation

Contact:

Phone: 0120-232-711 (toll free within Japan)

Mailing address:

P.O. Box 29, Shin Tokyo Post Office,  
Tokyo 137-8081

Securities Agency Division, Mitsubishi UFJ Trust and Banking Corporation

### Payment of dividends:

As stated in the Articles of Incorporation, dividends not claimed within five years from the starting date of payment are no longer payable. We therefore urge shareholders to claim all payable dividends at the earliest convenient date.

Dividends that the shareholder has not received will be paid at the Mitsubishi UFJ Trust and Banking Corporation.

### To shareholders owning shares constituting less than one unit:

Shareholders owning shares constituting less than one unit (1-99 shares) of AGC may request AGC to purchase such shares/sell additional shares. For the details of such procedures, including requests for necessary forms, please notify the following place of contact.

### Contact Information for Inquiries Regarding Shares

Shareholders who have an account with securities companies, etc.	Shareholders who have a special account
Securities companies or other entities with which you have an account	Mitsubishi UFJ Trust and Banking Corporation (our Special Account Administrator) Phone: 0120-232-711 (toll free within Japan)

### Note concerning information about the future

Please note that statements made in this document concerning projected figures, future measures, and other information about the future involve uncertainties.